

Charter Day School



Charter Day School Board of Trustees

Minutes of the Board Meeting

4 PM; Thursday October 28, 2010 Activity Center

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| Attendance | <p>Trustees: Lori Boldt Mark Cramer Baker Mitchell Donnie Norris Steve Windham</p> <p>Phyllis Pearson, Petway, Mills, and Pearson, PA; CPA Mark Dudeck, Assist Treasurer Jennifer Beamer, HM – CDS Steve Smith, HM – CCS Tom Miller, Director CDS –MS Brad Barth, Info Dir.</p> |
| Executive Session | None |
| Call to Order | Donnie called the meeting to order at 4:01 PM with a quorum of 5 present. |
| Review of Present & Future Agenda Items | No changes |
| Approval of Minutes | The June minutes were reviewed and on motion by Steve, seconded by Donnie, the June meeting minutes were approved as written. |
| Communications To/From Board | None. |
| RBA Report | <p>Donnie immediately introduced Phyllis and requested that she present the audit reports for the 2009-10 year.</p> <p>Phyllis introduced the CDS audit by pointing out that since we had received more than \$500,000 in federal funds that three additional federal audits were required and that as a result of her work all three were unqualified with no findings. She commented that the MD&A presentation was “the nicest I have seen.”</p> <p>She reviewed the revenues and expenses on pages 14, 20, and 26 and pointed out the \$926,000 in cash in bank deposits were at risk during the times they were not moved into overnight federal deposits. Regarding the budgets vs. actual on pages 33 and 34 she felt that the budgeting had been very conservative.</p> |

Similar comments on the CCS audit were made as she went through that report in detail with more attention to the need to increase enrollment to bring in more revenue to cover the anticipated budget cuts in upcoming years.

Discussion by the board focused on the fact that the current year 2010-2011 was proceeding satisfactorily but that the projected \$3B state shortfall might wreck havoc with the per pupil reimbursement rates which have already declined 19.8% since 2007 adjusted for inflation.

Phyllis also shared her opinion that our \$1,000 capitalization threshold was too low and we should raise it to at least \$2,500 and perhaps as high as \$5,000. Upon being questioned she said most schools used the \$5,000 limit. Baker asked if that was a per-order limit or a per item limit and she explained it was on individual items and applied to the financial handling (depreciation, etc.) only. If we wanted to keep track of every item in an inventory, that was a separate matter.

Donnie thanked Phyllis for her insightful presentation and moved to Baker's item regarding county reimbursements.

Baker's memo was handed out which showed nearly \$500,000 due from the Brunswick Board of Education as ruled on by the state Supreme Court in the Sugar Creek case. Baker discussed the meeting with Kieran Shanahan and John Branch of the Shanahan law firm in Raleigh that morning. They suggested that we proceed as planned with Acadia submitting audit-based invoices for 2007-08 and 2008-09 and with 2009-2010 as to be determined upon completion of the audit. It was the sense of the board the we should proceed as soon as possible.

Mark elaborated on Shanahan's willingness and urging to pursue the FOI request of Mark's in December of 2009 that had been ignored so far. The FOI was to enable us to better understand the SBE's rejection of our Duplin charter application by requesting the Rubrics submitted by board members in the review of our application.

Alignment of our employment agreement and personnel handbook with state and federal labor laws was also discussed by Mark in light of Fletcher's labor attorney leaving his firm.

Mark said that Kieran suggested an initial retainer agreement at \$400 per month to address these routine issues and that it could be reviewed after several months in accord with the usage. Non-routine, specific projects could be estimated as they arose.

Baker asked the board if they felt such a retainer arrangement met with their approval. On motion by Steve and seconded by Lori, the board unanimously approved a 6-month retainer agreement with the Shanahan law firm at the \$400/month level.

Next, the successful academic test scores of both schools exceeding 80% performance composite and meeting AYP were presented by Mark although

final "report cards" had still not been issued.

Mark next stated that he had tried to estimate how to work bonuses into the budget but that even a modest bonus plan exceeded \$200,000 which was more than the budgeted surplus. All members felt that a bonus was very deserving by the staff, but not prudent in the current budgetary climate.

He next reported on the huge success of the archery team with Hunter Johnson scoring 4th in the World Competition at the Orlando competition with over 900 archers from all over the world.

Mark informed the board that the uniforms had slid more into a dress code that was presenting problems in enforcement and meeting all of the objectives of a uniform policy. He said that parents would be informed of the modification that would take effect being in July of 2011.

Lastly, Mark Dudeck discussed the sudden notification by BB&T that we would have to change from individual IRA's to a group plan no later than December 31, 2010 – a very short fuse to switch the 140 accounts that now existed. Costs for the first year set-up were estimated to be in the \$10,000 range with subsequent annual maintenance charges of \$35 per member and 1.5% of funds under management. Much discussion ensued about the short time-frame not allowing us to go out for bids with other firms and why we were not informed sooner of the need to switch. Although not clear, there was some confusion over the trigger: was it suppose to be 100 current employees participating in the plan or 100 eligible employees in the organization total and were CCD and CCS deemed separate organizations? Mark said, regardless, when all the dust settled we had unknowingly passed the trigger point and had to comply by this December.

As the management plans and funds available for investment were all standards such as Vanguard and T. Rowe Price, the main consideration of the board was the service and the fees charged by BB&T. Mark said without time to look further, that BB&T was our only practical option and that he planned to evaluate alternatives over the next year or so for lower rates.

On motion by Donnie seconded by Lori, the board unanimously approved the change of the retirement to BB&T as described by Mark but that he should use his best efforts to ensure that we could switch providers after one year and to look for a better and lower cost alternative.

The November 13th 5K race was discussed with the great success in getting local community support from small businesses. Sponsors of \$100 or \$200 dollars were available and we had raised over \$2,500 in sponsorship money so far.

Mark Dudeck submitted a proposal whereby RBA offered a 2% early prepayment discount on rentals and fees that would bring in over \$13,000 to CDS for an advance of approximately \$650,000 on fees due through June of 2011. He explained this was to take advantage of lower tax rates in 2010 in case the tax rates increased next year. On motion by Lori and seconded by Steve, the

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| | <p>board resolved to pre-pay 6 months of 2011 fees for a 2% discount in the event RBA desired to do so before December 31, 2010. The motion carried with Baker and Mark abstaining.</p> <p>Lastly, in line with Phyllis' suggestion, Steve moved, with Donnie seconding, that the capitalization threshold be increased to \$5,000. The motion passed unanimously.</p> |
| <p>CDS- "School of Distinction" "High Growth"</p> | <p>Jennifer Beamer reported on the following topics:</p> <ul style="list-style-type: none"> A. CDS – General: <ul style="list-style-type: none"> i. New Staff-Band teacher and EC teacher ii. UNCW students iii. Beginer Teacher Support UNCW iv. Technology Plan Audit v. Race to the Top vi. UNCW job fair vii. Online Teacher Evaluations B. CDS – Academics: <ul style="list-style-type: none"> i. EC Department: <ul style="list-style-type: none"> 1. Attended IEP goal writing, compliance, and service training 2. Attending the state EC conference in November ii. Reading: <ul style="list-style-type: none"> 1. Implementing new reading comprehension strategies that align with our current curriculum and have refined last year's strategies 3-5 2. Aligning the 6th-8th grade language arts classes 3. Identified the critical students and have established a plan to bring them up to grade level iii. Math: <ul style="list-style-type: none"> 1. IXL program k-8th grade 2. Identified critical students and are refining the plan to ensure their success 3. C. CDS – Fiscal/Budget: <ul style="list-style-type: none"> i. Holiday Fair, Subway Tuesday's fundraiser, D. CDS - Community Relations: <ul style="list-style-type: none"> i. JDRF fundraiser ii. Family Nights each month |
| <p>CCS "School of Distinction" "High Growth"</p> | <p>Steve presented the following report for CCS:</p> <p>CCS – General:</p> <p>The Columbus Charter School is off to its best start ever. All of the newly hired employees have done a terrific job and are exceeding all expectations.</p> <p>Our enrollment numbers are at 484 for this year with the budget based at 480. We have asked and been approved to have 625 students enrolled for the 2011-2012 school year. An initial plan is underway to accommodate at least 90% of 625.</p> <p>Cheerleading started with over 90 children involved: "Columbus Charter School Eagles". Football may be a possibility next year.</p> <p>Basketball Court Completed. Soccer Goals installed. Campus looks great!</p> <p>Teacher of the year announced: Ms. Carla Fisher. She will compete in November for the North Carolina Teacher of the Year.</p> |

CCS – Academics:

Although our school had a designation as not recognized, our composite reading and math went up from 82 percent to 83.8 percent. Our reading scores increased and our goal this year is to bring our reading composite to 82 percent and our math composite to 90 percent school wide. We are also gearing up for our 1st year of Science EOG's.

All children have been grouped for reading and are excelling. Kindergarten has an accelerated Math class and they are doing 1st grade math with no difficulty so far. All children in Kindergarten have completed and moved past RMI lesson 50 with a goal of hitting 80 by Christmas.

C. CCS – Fiscal/Budget:

Attraction Books: First fundraiser completed. Second fundraiser underway with Great American! Expectations of 5,000 in the first 9 weeks completed and \$8,000 expected for the second nine weeks for the booster club.

School is within budget. (Mark Dudeck for specific details)

D. CCS - Community Relations:

Columbus County Fair: Over 500 flyers were passed out at a booth rented by Columbus Charter School. There were many questions, and we had teacher volunteers man the booth for the six days.

Relay for life: Ms Kristi Worley and Ms. Leslie Strickland have started gearing up for another successful community event.

In an effort to bridge Columbus County Schools and Whiteville City Schools, we are applying for a grant called "Partners Assessing Learning in Science-PALS" with the two school systems.. If approved, we will identify two teachers to be taught how to improve science in the classrooms. They will in turn teach the rest of the teachers on the campus.

Finally, Steve noted a visit by a DPI representative inspecting our technology. Her email was read to the board:

"Dear Mr. Smith

Thank you for inviting me to visit your wonderful school on Wednesday. You program is truly an inspiration. Seeing your establishment first-hand helps me to understand on a deeper level, as I consider you when initiatives are proposed, or when information that I must disseminate becomes available.

I will keep you at the forefront of my consciousness as we move forward upon the wings of the great things that are happening in North Carolina.

I have added you and Mr. Massey to the Region Four Charters list. Please tell me about the type of communication you have with other charter schools. Are there meetings that you attend as a group? Have you taken part in the Race to the Top webinars that were offered? Do you access NC WiseOwl as a school?

I look forward to learning more about you! As I prepared myself to leave, I looked up and saw one of your little ones jogging around the track. I sat there and considered the children -- the air of respect, excitement, commitment and joy that surrounds your

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| | <p>school, --- and I smiled. Thank you again!</p> <p>I'll see you soon.</p> <p>Julian</p> <p><i>Julian Nichols-Wilson</i> Region 4 South Central Instructional Technology Consultant <i>Instructional Technology Division</i> <i>North Carolina Department of Public Instruction</i></p> |
| <p>Old Business</p> | <p>none</p> |
| <p>New Business</p> | <p>On motion by Baker, seconded by Donnie, the board unanimously approved the audits as submitted for CDS and CCS by The Petway audit firm. Bill Barker had reviewed the audit and approved its adoption via telephone text message. The motion was unanimously approved.</p> <p>On a motion by Donnie and seconded by Steve, the board ratified the actions taken with Mark and Baker abstaining.</p> |
| <p>Adjournment</p> | <p>Donnie adjourned the meeting at 5:30PM.</p> |